

Business Scalability: Is EOR the Best Option in Today's New World of Work



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With the appetite for global business expansion on the rise, 2023 will see an increase in companies growing into new markets. According to [Bain & Company](#), cross-border deals in 2022 will exceed USD 4.7 trillion in deal value.

Expanding into global markets is now a critical business strategy. The benefits range from access to new consumers and growth opportunities, diversifying revenue streams, enhanced brand recognition, and tapping an international talent pool.

What is Business Scalability?



It is broadly defined as a company's ability to withstand pressure because of growth without being hindered by its resources or structure.

With scalability, companies can expand into new geographies and markets without compromising quality. The motivation for businesses to scale increases when a proven product or scalable business model is in place.

[Source: CFI](#)

Why Scale your Business



Scaling a business is as much about capacity as it is about capabilities. Companies need to consider the following:

- > Does your business have the capacity to grow?
- > Do you have adequate resources, business systems, technology, and the right talents to grow?

From gaining a competitive advantage and the potential to create new product lines and services, the reasons to scale a business vary by organisation and industry.

Some key advantages include:

- > Attracting new global customers
- > Increased business growth
- > Diversifying and creating new revenue streams
- > Creating economies of scale
- > Enhancing your market influence
- > Access to a broader, international talent pool



However, just as there are advantages to scaling a business, common challenges faced include:

- > Lack of in-country expertise
- > Unfamiliarity with labour laws and regulations
- > Cost of establishing and terminating an overseas entity
- > Compliance risks and liabilities
- > Business practices and cultural barriers
- > Managing international employees – HR and payroll commitments

Leveraging an Employer of Record (EOR) to Scale your Business

While most prefer to have an in-house team with the required core competencies, this may not always be possible. The situation is especially true when you need to scale across multiple countries swiftly, and quickly get up to speed on labour regulations.

One of the fastest and most cost-effective ways to scale your business compliantly is to use a third-party outsourcing partner such as an [Employer of Record \(EOR\)](#). An experienced EOR partner, like BIPO with the necessary core competencies can help companies to mitigate risks.



What is Employer Record (EOR)?

An Employer of Record (EOR) is an outsourcing legal entity that delivers specific HR administrative and payroll functions. The EOR partner acts on behalf of the actual employer to carry out all administrative employment tasks. An EOR allows businesses to focus on strategic initiatives to grow the business.

Working with a **direct Employer of Record (EOR)** that has locally owned and managed legal entities eliminates third-party outsourcing to local providers.

While on the other hand, an **indirect EOR** enables companies to gain access to a suite of services by tapping into a global network of business partners across different countries.

Seamless Global Hiring & Salary Payments with an EOR Partner



An EOR partner provides access to a wide selection of professional payroll and HR services. In addition, a reliable partner can assist in handling all the legal, HR and tax complexities, ensuring cost savings, speed, and efficiency when you need to fast-track your business expansion.

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Some of the complexities handled by an EOR partner include:

1 Full compliance with local labour laws



A breach in legal, labour and tax obligations results in hefty fines, delays in setting-up your international operations and a negative brand image. In more critical instances, it may lead to business sanctions.

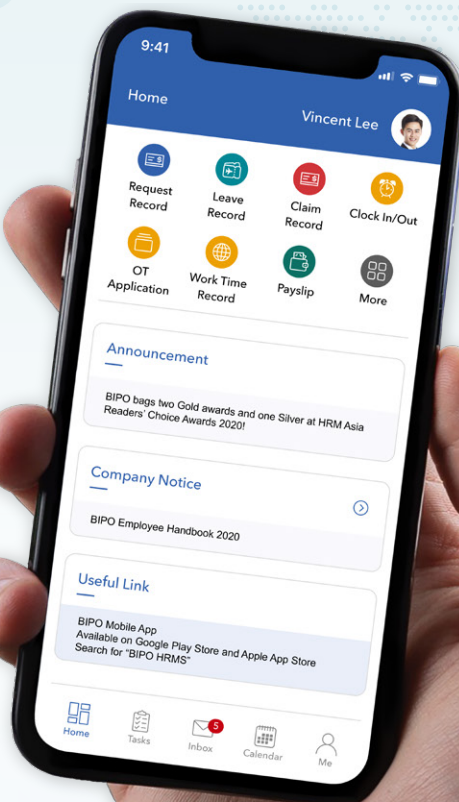
Working with a reliable EOR partner ensures you're 100% compliant in your operating countries. Professional services include [HR advisory](#), [compliance support](#) and global contractor management.

2 Cross-border transactions and multi-currency payroll

With different laws and tax systems, paying your global workforce in their currency of choice can take time and effort.

Having different types of employees across multiple countries can result in tax issues. For example, an MNC with its global head office in the US that hires employees in the United Kingdom might need to pay UK rather than US taxes.

An effective EOR partner can assist the HR team with unfamiliar and complicated regulations, including payroll processing, statutory contributions, income tax filings, expense claims management, e-Payslips and salary disbursements in the currency of choice.



3 Benefits Administration

Providing employees with the right mix of benefits helps companies attract and retain the best global talents.

Leverage economies of scale while saving time by working with an established EOR partner. Access a comprehensive suite of benefits to stay competitive in the local market. These include meal cards, private health and dental insurance, retirement plans, expense reimbursements, and compensation and benefits support.



4 Employment Contract Management



Regardless of the number of employees hired, starting with one or 1,000 – an EOR partner can assist with preparing the employment contracts and HR policies in English or the local language.

Hiring global talents is less overwhelming while ensuring you remain compliant with local labour regulations.

5 Expatriate Management

Attracting, hiring and global onboarding talents, particularly in today's remote work landscape, is a skillset. From work visa sponsorships, residence permits, and taxation to global mobility, an EOR partner provides a comprehensive suite of expatriate management solutions.

Leverage the strengths of your core HR team to serve your targeted country to scale your business while an EOR partner, like BIPO can assist with this highly specialised service. Hire, onboard, manage and pay your global talents compliantly from anywhere in the world with an EOR partner.



6 Global Hiring & Talent Management



The evolution of work has given rise to the gig economy, remote and hybrid work, and digital nomads.

Employees now have wider access to international career opportunities. For example, workcation – a travel trend that mixes work and play – has gained momentum. According to [BBC](#), up to 65% of respondents across eight countries said they plan to extend a work trip to a leisure one (and vice versa) in 2022.

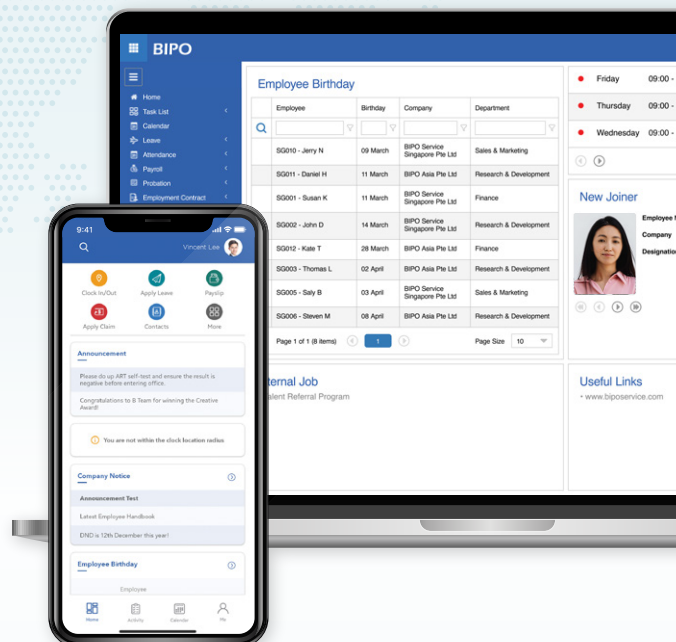
Gaining access to global talents and, more importantly, being able to hire and onboard them compliantly is now a priority.

7 Next-Gen HCM to Simplify On/Offboarding

An experienced EOR partner leverages cloud-native technology to streamline and simplify the onboarding and payroll process.

Designed to manage end-to-end HR and payroll processes, [HR Management Systems](#) today include self-service options and multi-language capabilities supported by a mobile app.

Core modules like Personnel, Payroll, Leave Management and Claims are generally part of the product offering, and access to customised reports and BI tools to facilitate better workforce planning.



Fast-track into New Global Markets Compliantly

Working with an EOR partner offers many benefits and advantages.



Besides efficiency and cost-effectiveness, and the opportunity to gain a competitive edge, businesses can mitigate risks and liabilities, and are assured their global hiring and business expansion are handled compliantly by an experienced team of professionals.



Find out how you can scale into new global markets with an EOR partner. Visit [BIPO](#) or connect with us today.